

HOUSE BILL 2122
By Rhinehart

AN ACT to amend Tennessee Code Annotated, Section 8-36-701,
relative to cost-of-living increases for retired members of
the Tennessee Consolidated Retirement System.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-36-701(b)(1), is amended
by deleting the first sentence thereof in its entirety and by substituting instead the
following:

(b) (1) Effective July 1, 1998, if there is a percentage increase in the
consumer price index, as determined in accordance with subdivision (a)(1), of at
least one-half of one percent (0.5%), the retirement allowance payable to each
beneficiary who has been in receipt of an allowance during the five (5) months
immediately preceding the July 1 next following the December 31 as of which the
percentage is determined shall be increased commencing on such July 1 by an
amount determined by multiplying the beneficiary's then current retirement
allowance by such percentage, but not to exceed three percent (3%).

SECTION 2. Tennessee Code Annotated, Section 8-36-701(d), is amended by
deleting it in its entirety and by substituting instead the following:

(d) The provisions of this section shall not apply to any person who retires
after May 1, 1975, until such person has been retired for a minimum of five (5)

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months on July 1 next following the December 31 as of which the percentage is determined. Provided, however, the provisions of this section shall not apply to persons who are members of the retirement system by virtue of their employment with any employer participating in the retirement system pursuant to chapter 35 of this title unless such person has been retired for a minimum of twelve (12) months on the July 1 next following the December 31 as of which the percentage is determined, unless the chief governing body of such employer passes and files with the board of trustees a resolution reducing the required months from twelve (12) to five (5) months and accepting the liability therefor.

SECTION 3. The provisions of this act shall be subject to the funding being provided in the general appropriations act.

SECTION 4. This act shall take effect on July 1, 1998, the public welfare requiring it.